

Committee on Ways and Means

H.R. 6408, Tax Relief and Health Care Act of 2006

Physician Payments

- The *Tax Relief and Health Care Act of 2006* prevents a 5.0 percent reduction in payment rates for physicians and other practitioners which is scheduled to occur on January 1, 2007. This will help ensure continued beneficiary access to high quality health care services.
- In 2007, the Act provides a freeze in payment rates as well as a significant bonus-incentive payment for the reporting of quality measures starting July 1, 2007.
- The Act also creates a fund in 2008 to promote physician payment stability and physician quality initiatives.
- In 2007, physicians would voluntarily submit three quality measures or less to qualify for the bonus incentive payment. The bonus would then be calculated by an outside contractor and paid to the physician.
- The bulk of these quality measures have been developed and vetted through the physician community and are reported in a non-burdensome way through the submission of claims.
- For physicians and practitioners, this is a good first step. In fact, several health care providers, including hospitals, dialysis facilities and nursing homes are already reporting quality measures.
- The Centers for Medicare & Medicaid Services (CMS) will then move towards properly aligning payment incentives to reward for the *quality* of care and not the *quantity* of care.